

**STATE OF WASHINGTON**



**OFFICE OF  
INSURANCE COMMISSIONER**

**BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF WASHINGTON**

In the Matter of ) No. D 02 - 48  
 )  
**Franz K. Cobb and** ) ORDER REVOKING  
**Franmar Insurance** ) LICENSES  
**Services, Inc.** )  
*Licensee.* )

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To: Franz K. Cobb  
4732 383<sup>rd</sup> Ave SE  
PO Box 1875  
Snoqualmie WA 98065

and

Franmar Insurance Services, Inc.  
38579 SE River St  
PO Box 1778  
Snoqualmie WA 98065

**IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that your licenses are **REVOKED**, effective April 28, 2002, pursuant to RCW 48.17.530 and 48.17.540(2).

**THIS ORDER IS BASED ON THE FOLLOWING:**

1. The Commissioner sent you written inquiries on February 22, March 5, March 12 and March 27, 2001. These inquiries related to the business of insurance. You did not respond to any of them. Each such failure to respond promptly in writing violated RCW 48.17.475.
2. Your lack of response required the Commissioner to assign Examiner Ken Combs to conduct an audit of your insurance business. He sent you a letter dated April 27, 2001 informing you that unless he heard from you he would subpoena your bank records and if problems were found the matter would be turned over to the King County Prosecuting Attorney's office. You contacted Mr. Combs on May 2, 2001 and eventually, May 29, 2001, you dropped off some bank records without copies of checks or deposits. Each failure to provide complete and accurate records of each insurance transaction is a violation of RCW 48.17.470.

3. On June 12, 2001, the Commissioner subpoenaed the bank records for Franmar Insurance Services, Inc. Those records were received on July 8, 2001, and an audit was begun for the period January 1, 2000 through May 29, 2001. Mr. Combs identified twenty different consumers who had paid over \$4,223 to the agency and no corresponding payments were made to any insurance company on their behalf. Each such failure to report and account for premium is a violation of RCW 48.17.190, RCW 48.17.480, RCW 48.17.600 and WAC 284-12-080.

4. By reason of your conduct, you have shown yourself to be and are so deemed by the Commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington. Accordingly, your licenses are revoked pursuant to RCW 48.17.070, and RCW 48.17.530(1) (b), (d), (e), (h).

IT IS FURTHER ORDERED that you return your insurance agent license certificates to the Commissioner on or before the effective date of the revocation of your licenses, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention Scott Jarvis, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT LACEY, WASHINGTON, this 8<sup>th</sup> day of April, 2002.

MIKE KREIDLER  
Insurance Commissioner

By

SCOTT JARVIS  
Deputy Commissioner

Examiner: Ken Combs